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Via Electronic Filing

The Honorable Jocelyn Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Comments on Joint Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC to Establish a Consolidated Informational Docket for Review and Consideration of Grid Improvement Plans; Docket No. 2019-381-E

Dear Ms. Boyd:

The South Carolina State Conference of the NAACP, South Carolina Coastal Conservation League, and Upstate Forever (collectively, “Intervenors”) are providing the following comments on the joint proposal from Duke Energy Progress (“DEP”) and Duke Energy Carolinas (“DEC”) (together, the Companies) to establish a consolidated informational docket on its Grid Improvement Plan (“GIP”). As an initial matter, the Intervenors support the use of a consolidated informational docket to review and consider the Companies’ Grid Improvement Plans. To make this docket most effective, however, we believe that the Commission should ensure the process is fully transparent and that it allows for active participation by all parties, provide an opportunity to learn from related dockets in North Carolina, direct the Company to consider how its GIP relates to its Integrated Systems and Operations Planning, and provide a procedural schedule that facilitates participation from intervenors and stakeholders.

As a preliminary matter, Intervenors respectfully request that they be deemed parties to this docket, pursuant to the Commission’s Order No. 2019-323 in the most recent DEC rate case.¹

A. The Commission Should Ensure that the Distribution Planning Process is Transparent and Allows for Active Participation by all Stakeholders

We recommend that the Commission use this informational docket as an opportunity for the Companies to engage with stakeholders on key elements of its Grid Improvement Plan in

¹ *Application of Duke Energy Carolinas, LLC for Adjustments in Electric Rate Schedules and Tariffs*, Order No. 2019-323, Docket No. 2018-319-E, p. 8 (May 21, 2019) (holding that “all Parties who have expressed any position on the GIP shall automatically be granted intervenor status in the new docket”); see also Joint Petition to Establish an Informational Docket, Docket No. 2019-381-E, p. 3 (Dec. 16, 2019) (noting Intervenors’ support for ORS’s motion to establish a separate docket to consider the Companies’ GIP issues). If possible, we would also respectfully request that Intervenors’ counsel who were admitted *pro hac vice* in Docket Nos. 2018-318-E and 2018-319-E likewise be deemed to still be admitted to practice *pro hac vice* in this informational docket as well. S.C.P.S.C. Order Nos. 2019-209 & 2019-210, Docket Nos. 2018-318-E and 2018-319-E (approving the Motions for Admission *Pro Hac Vice* for David L. Neal and Gudrun Elise Thompson).

South Carolina. It has been intervenors' experience to date, however, that there has been limited opportunity for stakeholder feedback to shape the Companies' Phase I GIP spending.

Ideally, this stakeholder process should be led by an independent facilitator who can report back to the Commission. This facilitation could allow a process wherein Stakeholders collectively identify and prioritize the goals and set performance metrics relating to those goals. One frustration in the Power/Forward and GIP workshops convened by the Companies to date is that the goals remained unclear and the planned spending is not set to metrics that can be readily evaluated by the Commission or intervenors.²

After goals and metrics have been established, a stakeholder process could work on identifying those grid investments that best meet those goals, potentially using the non-traditional, non-wires alternatives that the Companies are contemplating in their Integrated Systems and Operations Planning (see Section C below). This kind of more collaborative, open stakeholder process could help to identify those grid investments that balance the needs of customers with the best potential to result in overall cost savings over the medium to long term. Allowing for active participation now will streamline the later rate cases where the Companies will seek to recover these costs.

B. Opportunity to Share Information from Relevant Proceedings Before the North Carolina Utilities Commission

It is also important to note that the substance of Duke's Grid Improvement Plan, which is being deployed simultaneously in both North and South Carolina, is currently being litigated before the North Carolina Utilities Commission ("N.C.U.C.") in Docket Nos. E-7, Sub 1214 (DEC) and E-2, Sub 1219 (DEP).³ In North Carolina, Duke is seeking billions of dollars in cost recovery for GIP expenditures that it has *already made*, in the absence of a robust, inclusive planning process for Phase I of its spending plan and despite the N.C.U.C. having previously denied advanced cost recovery for the Grid Improvement Plan's predecessor, Power/Forward.⁴

Given that the plans for GIP cover both states and will have significant rate impacts on customers in both states, the Commission should ensure that this informational docket provides a means for the Commission to learn about and benefit from the proceedings in North Carolina. We recommend that this informational docket process include allowable *ex parte* briefings to provide updates to ongoing proceedings at the N.C.U.C.

² See, e.g., *Power/Forward Carolinas Technical Workshop Report*, prepared by Rocky Mountain Inst., N.C.U.C. Docket No. E-2, Sub 1142, p. 10 (Jun. 26, 2018) ("Many participants agreed that a more transparent, collaborative process would have been preferable to the way that Duke Energy was perceived to have arrived at the original Power/Forward proposal; i.e., through an entirely utility-driven process. Participants recommended that arriving at shared priorities and goals for grid modernization with stakeholders in advance of assessing solutions in a full proposal would have been preferable."), <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=300aefac-e7db-4374-861f-5f742c2f5216>.

³ *In the Matter of Application of Duke Energy Carolinas, LLC, for Adjustment of Rates and Charges*, Direct Testimony of Jay W. Oliver, N.C.U.C. Docket No. E-7, Sub 1214, p. 44, lines 9-11 (Sep. 30, 2019) ("By design, the Grid Improvement Plan for North Carolina is identical to the South Carolina plan in substance.") <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=cb13c39e-5f6b-457d-be23-5cc33ffa8d7f>.

⁴ *In the Matter of Application of Duke Energy Carolinas, LLC, for Adjustment of Rates and Charges*, Order Accepting Stipulation, Deciding Contested Issues, and Requiring Revenue Reduction, N.C.U.C. Docket No. E-7, Sub 1146, pp. 329-30 (June 22, 2018) (denying DEC's request "to establish a rider to recover Power Forward costs" and denying its request "to establish a regulatory asset for the deferral of Power Forward costs.").

C. Need to Consider Relationship Between GIP and the Companies' Integrated Systems and Operation Planning

Duke is also embarking on Integrated Systems and Operations Planning (ISOP) process that includes distribution and transmission planning and therefore has significant implications for grid investments. As reported in Duke Energy Carolina's most recent IRP filing to the PSC:

*Duke continues to view [ISOP] as a natural evolution in the planning process to address continued trends in technology development, **declining cost projections for grid-tied technologies**, and customer preferences for distributed energy resources such as roof-top solar and end-use electrification such as electric vehicles (EVs). The anticipated growth of energy resources on (or closer to) the grid edge, particularly energy storage, **will require utilities to move beyond the traditional utility distribution and transmission planning practice of analysis that considers only a few snapshots of system conditions at discrete points in time. Moving forward, analysis of the distribution and transmission systems will need to account for increasing volatility of net demand (load less variable distributed resources), which will require significant changes to modeling inputs and tools.***⁵

If done well, ISOP will provide an opportunity for Duke to make use of granular data to address grid needs using non-wires alternatives to traditional grid investments. These alternatives can include targeted demand-response, distributed generation, energy efficiency, storage, and rate design. This integrated planning approach could lead to lower cost, better value investments that are targeted to the unique needs of the grid. Intervenor support this approach, but are concerned that the Companies' GIP spending has come before full deployment of ISOP, risking millions (if not billions) of dollars in potentially unnecessary or obsolete spending before Duke is ready to make use of ISOP. This concern has been raised by stakeholders in the GIP workshops convened by Duke since 2018.⁶

D. Recommended Procedural Schedule

As such, Intervenor support suggest that the Commission first institute a stakeholder process in which parties to this proceeding can propose a suggested list of topics for technical workshops and allowable *ex-parte* briefings, and a schedule for the order and format of the briefings and workshops over the course of the consolidated docket. A similar process is currently under development in the generic docket to investigate Net Energy Metering, Docket No. 2019-182-E.

⁵ DEC Integrated Resource Plan, Update Report 2019, P.S.C. Docket No. 2019-244-E, p. 48 (Sep. 4, 2019).

⁶ See, e.g. DEP and DEC Report of Second NC Grid Improvement Technical Workshop, Docket Nos. E-2, Sub 1142 and E-7, Sub 1146, prepared by Rocky Mountain Inst., p. 24 (Jan. 9, 2019) ("Is it possible for Duke Energy to elevate/advance the ISOP ahead of some of the other parts of the plan?").

We also recommend that the consolidated docket remain open at least until the Companies file a Notice of Intent to File an Application for Adjustments in Electric Rates in which they seek cost recovery for GIP spending.

Respectfully,

s/ J. Blanding Holman IV
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cc: All parties of record